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November, 1966

LOW RENT HOUSING IN THE SOUTH END: BRA PROGRAM FOR SUPPLYING LOW RENT HOUSING UNITS IN THE SOUTH END URBAN RENEWAL PROGRAM.

In the planning and development of the South End Urban Renewal Plan, it was emphasized by the BRA that provision would be made under the plan for housing for all low income families and individuals desiring to remain in this community. It is not the intention of the South End Plan to force low income families and individuals out of the area as upgrading occurs. This objective was supported and approved by the Urban Renewal Committee and the neighborhood associations over the planning period.

NEED

Displacement by BRA from clearance areas and other property included for acquisition totals 3,500 family and individual occupied residential units. Relocation is proposed over a seven-year period, beginning from August 4, 1966. 1,800 families are of low income and 1,750 are moderate income. 1,725 families are Negro and other minority groups, and 1,825 are white households. Family interviews being conducted by the relocation staff in the South End office as of September, 1966, indicate that on priority clearance sites the relocation workload is holding at 81 percent of the original estimates. The percent of low income families and individuals in the relocation workload has remained at the same level as determined in the survey and planning period.

PROGRAM

The program developed during the planning period to meet the need for 1,800 low income families and individuals has four major components. The first is new construction of housing for elderly and scattered site family public housing developments. The second component is BHA leasing of new 221(d)(3) units in the South End and the third component is rent supplementation in new (d)(3) housing. The fourth major component is leasing of existing housing by BHA in the current inventory throughout the City of Boston.

Experience with rehabilitation in the project area to date supports the conclusion that a modest amount of additional low rent units will be created under nonprofit rehabilitation programs to further meet the need.

Developing 1,800 low rent housing units is a substantial task; however, considering that the renewal plan is proposed for a 7-year execution period, the low rent housing produced at a rate averaging 257 units per year will provide adequate resources for South End relocation.

South End

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1. LONG-RUN OBJECTIVE

The low-rent housing program recommended for the South End over the 7-year execution period is as follows:

1. New construction, BHA, elderly	500 units
New construction, BHA, scattered family units	300 units
2. Rent supplement units in new 221(d)(3) units in the South End	320 units
3. BHA lease in	
a. New Section 221(d)(3) units in South End	300 units
b. Housing leased in existing inventory	380 units
Total	1,800 units

1. New construction, BHA housing for elderly and scattered family units.

The South End Plan provides for 800 new public housing units (500 elderly and 300 family) on scattered new construction sites. Eight sites, plus a portion of Castle Square, are designated for disposition to BHA for construction of elderly and family public housing units as follows:

500 (minimum) elderly units and 100 family-type units on sites providing a combination of both types of units. (1)

11 scattered small development sites are designated for 200 family-type units. (1)

(1) See Attachment 1, Sites for Public Housing to Complete the New Construction Program.



2. Rent supplement units in new Section 221(d)(3) development in the South End.

Rent supplementation in Section 221(d)(3) developments provides for payment of that part of the rent representing the difference between normal rent charged for an apartment and the rent an eligible low income family or individual can actually afford. Rent supplementation will be used in 15% of the Section 221(d)(3) units in the South End, providing 320 supplemented apartments. The provisions of this supplement program have been discussed with potential housing sponsors in the South End. (2)

3. BHA

a. BHA leases in new Section 221(d)(3) developments in the South End.

Beyond the Urban Renewal Plan's specifics and in order to reach the long run objective of 1,800 low rent housing units in the South End, an additional 1,000 units will have to be produced by leasing programs, by use of rent supplements, and by rehabilitating of privately-owned housing within the South End Renewal Area. The leasing program provides for payment by the Boston Housing Authority of the difference in rent charged for a new Section 221(d)(3) apartment and the actual rental that an eligible low income family or individual can afford to pay.

Leasing will be used in 15% of the units built under the Section 221(d)(3) program in the South End. This will provide 300 low rent units. 50 low rent units of this type are provided for in the Castle Square Development, which is the first new 221(d)(3) development in the South End. Potential housing sponsors in the South End are familiar with the provisions of the leasing program and are interested in using the program to provide a broader range of rental opportunities. (2)

b. Housing in the existing inventory.

The Housing Authority has current authorization to lease units from private property owners. This program can provide additional low rent units, of which an estimated 380 of this type are needed, in the rehabilitation areas in the South End over the period of plan execution.

The Boston Housing Authority presently has authorization to lease up to 1,000 units in the City of Boston. The Low Rent Program for the South End includes up to 325 leased units in new (d)(3) and 380 leased units in existing rehabilitation housing, a total of 705 units. An increase in BHA authorization will be requested for South End and other areas of the city in order to accommodate the demand during execution of the Renewal Plan.

It is possible that the number of BHA leased units in new 221(d)(3) or existing housing may be reduced by acceleration of market rate or below market rate rent supplement programs. However, at the present time, the funds available for supplementing rents in the below market rate program are limited to 5 percent of the Federal allocation of funds for the supplement program.

(2) See Attachment 2, Sites under Rent Supplement and BHA Leasing in Section 221(d)(3) Housing (New)



4. Summary of long-run objective. (See also Attachment 3, Summary of Displacement and New Housing).

	<u>Elderly</u>	<u>Family</u>	<u>Total</u>
New construction of housing for elderly and family public housing on scattered sites	500-700	275-300	775-1000
Rent supplement in new Section 221(d)(3) developments		320	320
BHA leasing			
a. Leasing in new Section 221(d)(3) developments			
Castle Square		50-75 ¹	
Other new 221(d)(3)		250	300-325
b. Leasing in the existing housing inventory	100	280	380
Totals	600-800	1175-1225	1775 or 2025

Average per year over 7-year execution period: 257

B. SHORT-RUN LOW RENT HOUSING OBJECTIVE (1966 - 1968)

The period between the fall of 1966 and December, 1968, is the most important phase for providing low rent housing for relocation in the South End. Low income families estimated to be displaced total 600 in this period. Of equal importance, preliminary work will be required in 1967-1968 to develop the commitments and programs needed to achieve the long-run objective of producing 700 low rent units needed in the January, 1969 - June, 1970 period, and 500 units needed in the July, 1970 - December, 1973 period.

1. Short-Run Objective.

The short-run objective is to provide the following:

- a. Leasing of 50-75 new Section 221(d)(3) units in Castle Square¹, occupancy by June, 1967.
- b. New construction starts by BHA of 100 elderly units in Castle Square, and 360 elderly and 85 family units on sites RE2, RE7, RE4, and I2; occupancy of the Castle Square elderly by December, 1967, and of sites

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1. Subject to negotiations with sponsor-developer for increase of 25 units in leasing program.



RE4 and RE7 (now predominantly vacant land) with a total of 180 elderly and 40 family units by December, 1968.

- c. Firm commitments on market rate and below market rate supplemented units with identified sponsors of new Section 221(d)(3) and program allocations in new 221(d)(3) for BHA leased units. Section 221(d)(3) construction and occupancy on Site 21 (vacant land) with a minimum of 25 rent supplemented units in the development.
- d. One package commitment of four remaining housing for elderly sites and scattered family sites for package processing by BHA.
- e. Accelerated activation of leasing program in existing housing inventory.
- f. Use of existing public housing turnover in the South End.

2. Reaching the Short-Run Objective.

Between now and December, 1968, is the most important period for providing low-rent housing. In that period of time 600 low-income families and individuals will enter the relocation workload.

Based on currently approved development programs and time schedules for construction, the following low-rent housing can be built and ready for occupancy by December, 1968: a) leasing of 50-75 new 221(d)(3) units in Castle Square; b) occupancy of 100 housing for elderly units in Castle Square; c) occupancy of 180 elderly and 40 family units on Sites RE4 and RE7 (now predominantly vacant land); d) construction of 221(d)(3) and occupancy on Site 23 (predominantly vacant land) with leasing of 40 units by the Boston Housing Authority; and e) construction and occupancy on Sites 21 and 22 (vacant land sites) with 25 rent-supplemented units in each of the two developments. This provides a total of 460 low-rent units over the time period until December, 1968.

In order to provide the additional 140 low-rent units needed in this period, it will be necessary to rely proportionately on an acceleration of the BHA program for leasing in existing housing, and on turnover in public housing developments in the South End Urban Renewal Area.

3. Staging for Increasing Short-Run Supply of Low-Rent Housing.

The period between now and December, 1968, can be divided into four stages. These are shown in the following table, which summarizes the low-rent needs and availability of housing to meet these needs through 1968.



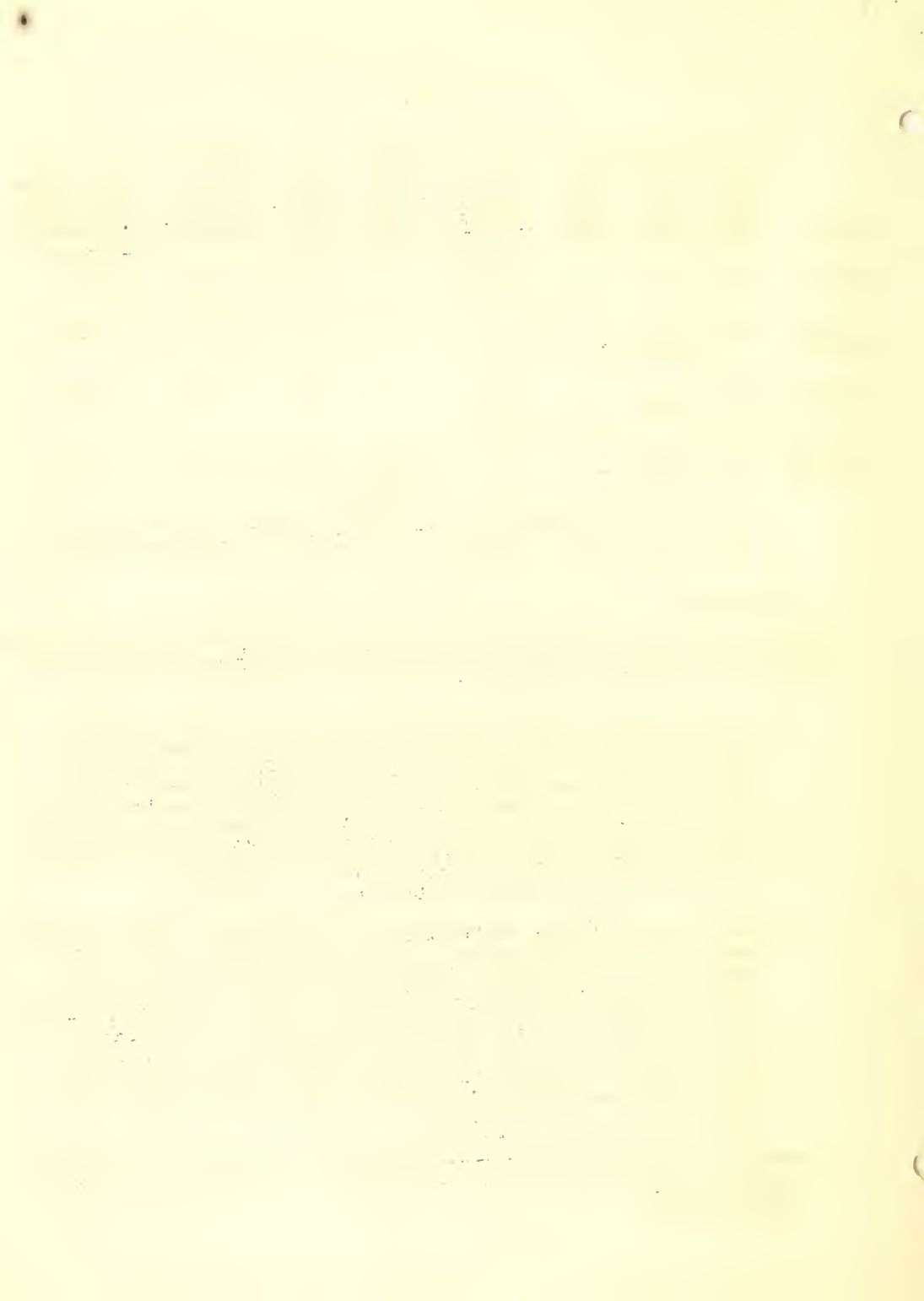
<u>STAGE</u>	<u>NEED LOW RENT</u>	<u>NEW BHA ELD.</u>	<u>NEW BHA FAM.</u>	<u>LEASE in NEW (d)(3)</u>	<u>RENT SUPPL. in NEW (d)(3)</u>	<u>LEASE EXIST. HSG.</u>	<u>SOUTH END FUB,HSG. TURNOVER</u>	<u>TOTAL SUPPLY under SOUTH END PRGGRAMS</u>
now - June'67	125	-	-	50-75 ¹	-	30	25	105-130 ¹
June'67- Dec.'67	125	100 (C.Sq.)	-	-	-	25	20	145
Jan.'68- June'68	150	80 (RE4)	-	40 (Site 23)	-	25	15	160
June'68- Dec.'68	200	100 (RE7--)	40	-	50 (Sites 21,22)	10	10	210
	600	280	40	90-115	50	80-90	60-70	600-645

4. Key Actions.

To meet the low rents needs through December, 1968, it will be necessary to assure site delivery on key sites and to activate new construction and leasing programs between now and mid-1967 as follows:

- a. New construction by BHA. Construction is ready to start on the 100 units of housing for the elderly in Castle Square. A construction time schedule of 9-12 months assures availability of these units between July-December, 1967. The highest priority for public housing sites is assigned to Sites RE4 and RE7, both of which are predominantly vacant land. Site delivery by May, 1967, and adherence to a 9-12 month construction time schedule will assure availability for occupancy on RE4 (elderly only) of 80 units by June, 1968, and on RE7 (elderly and family scattered units) of 140 units by December, 1968.
- b. New Section 221(d)(3) construction. Development team selection will be required for Sites 21, 22 and 23 this year (1966) in order to assure availability of new housing there for occupancy within the December, 1968 target date. Development selection now and adherence to a 16-month development-construction time schedule will assure delivery within the target period. Sites 21 and 22 contain only 45 relocation households and Site 23 has 70. Development decisions now and adherence to the 16-month time schedule will provide a total of 90 low rent units within the three 221(d)(3) developments on these sites, with 40 leased units on Site 23 by June, 1968, and 25 rent-supplement units each on Sites 21 and 22 by December, 1968.

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1. Subject to negotiations with sponsor-developer for increase of 25 units in leasing program.



- c. Leasing in existing housing and use of existing turnover in South End public housing developments.

In order to provide adequate housing opportunities for low-income households in the four stage period through December, 1968, an additional 140 units must be produced by proportionate use of accelerated leasing in existing housing, for 80 low rent units, and by use of existing turnover in South End public housing developments for 60 additional units. This will require extra leasing of an average of 40 units per year through December, 1968 and use of 30-45% of existing South End public housing turnover through this period of time.

C. STAGING FOR LONG-RUN OBJECTIVES.

The period of plan execution can be divided into three stages:

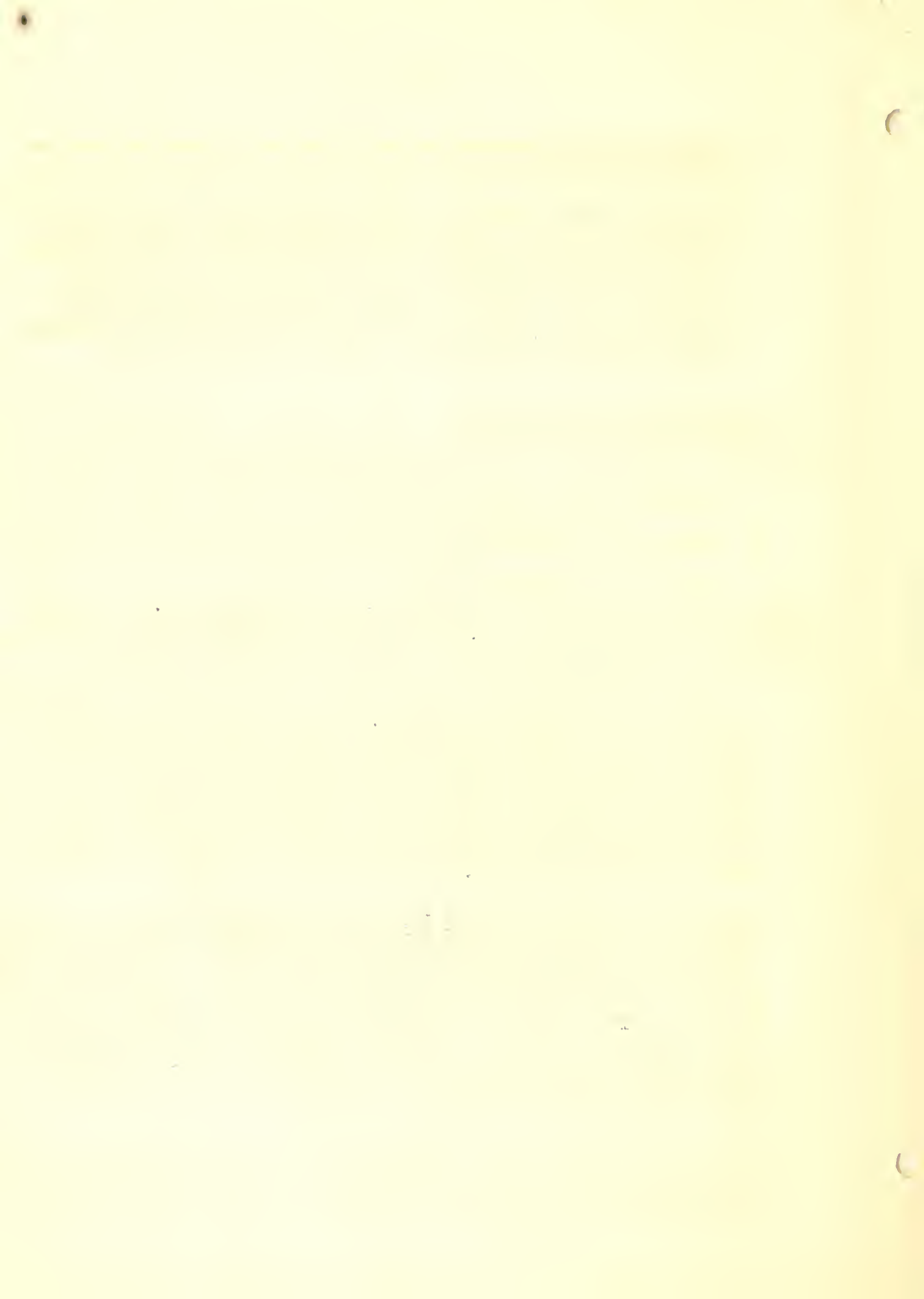
1. September, 1966 - December, 1968
2. January, 1969 - December, 1970
3. January, 1971 - December, 1973

The stage from September, 1966 - December, 1968, as described in B. 3., above, provides the time period for achieving not only the short-run objective but also for laying the necessary ground work to achieve the long-run objective.

1. Through December, 1968, a total of 600 low-income families and individuals will enter the relocation workload. In this period, construction is scheduled to be completed on 100 units of housing for elderly in Castle Square, and started on 360 elderly units on Sites RE2, RE4, RE7, and 12. Construction starts are scheduled for 85 scattered new family public housing units on Sites RE2, RE7 and 12. Completion of construction is scheduled to provide occupancy of at least 180 of the 360 elderly units, and at least 40 of the 85 scattered family units on the four designated public housing priority sites.

Leasing in new Section 221(d)(3) in Castle Square and on Site 23 is scheduled to provide 90 low rent units; rent supplement of 24% of the units on Sites 21 and 22 provides 50 low rent units. Initial leasing in existing rehabilitated housing provides 80 low rent units and use is scheduled to be made of 60 units in the existing public housing inventory in the South End. In total, a minimum of 280 new elderly units and 180 new family low rent units, or 460 new units, are scheduled through new construction, and 140 low rent units through leasing and public housing turnover, to provide 600 units for the 600 low income families and individuals in the relocation workload through December, 1968.

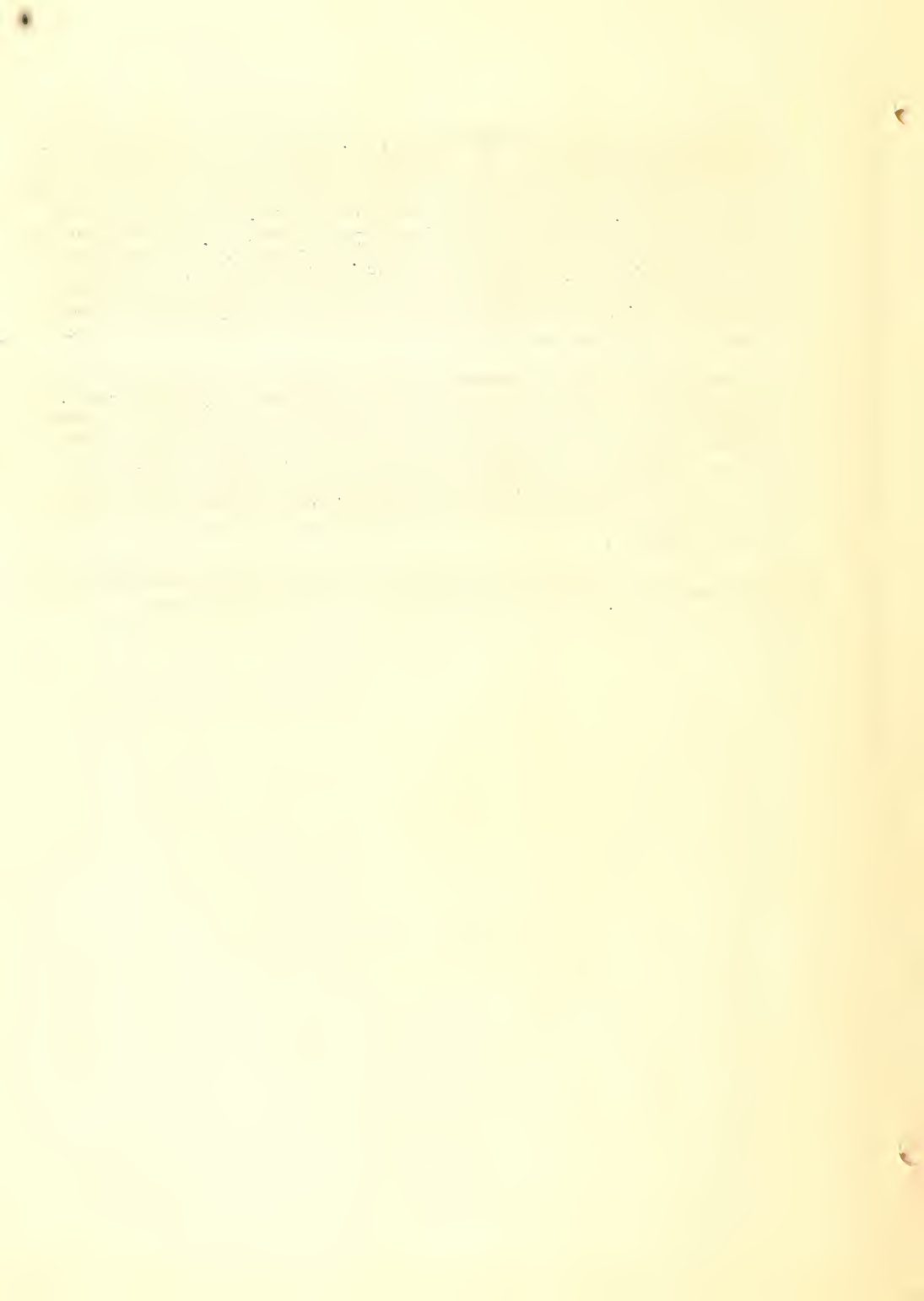
In the event that construction time schedules can be accelerated for Sites 12 and RE2, this will provide 180 elderly and 45 scattered family units in new construction at the end of 1968. This would relieve the reliance on existing turnover and also would compensate for early acquisition requests in later stages (1969-1972).



2. From January, 1969-December, 1970, a total of 700 low income families and individuals will enter the relocation workload. In this period construction is scheduled for 120 housing for elderly units (Sites RE5 and O) and 135 scattered new family public housing units (Sites 14, 33a, RC7, RC9, R7 and 17a-17b). Leasing in new Section 221(d)(93) on Sites RC1-RC3 and RC4-RC5 and on scattered RR sites provides 170 low rent units and leasing in the existing inventory provides 130 low rent units. Rent supplement of 27 percent of the new Section 221(d)(3) units on Sites 16, 34, 24 and 29 provides 170 low rent supplement units. In total, this provides 700-725 low rent units for the 700 low income families and individuals to be relocated through December, 1970.

3. From January, 1971-December, 1973, a total of 500 low income families and individuals will be relocated. In this period, construction is scheduled to be completed on Sites RE6 and PB6 for a total of 120 elderly housing units and on R6 and R12 for 55 scattered family public housing units. Leasing in new housing provides 40 units on Site 54, and in the current inventory 200 units will be leased. Rent supplementation is scheduled to be used on 100 of the units on Sites 25 and 19. In total, this produces 515 units for the 500 low income families and individuals in this stage.

The following table summarizes the staging of low rent housing developments in relation to the short- and long-run objectives as described above.



Stage	Displaced Families and Individuals Needing Low-Rent Housing	New Construction by BHA			New Section 221 (d) (3) Housing		Leasing in Existing Housing	Total Low- Rent Units
		Elderly	Family		Lease	Supplement		
September, 1966- December, 1968	600	C. Sq.	100	--	C. Sq.	50	--	600-735
		RE2	80	20	Site 23	40	Site 21 25	
		RE4	80	--			Site 22 25	
		RE7	100	40				
		12	100	25				
Sub-totals			460	85	90	50	50	600-735
January, 1969- December, 1970	700	RE5	80	Sites 14	Scattered	Site 16 50	130	700-725
		0	40	RC9, 33a,	RR Sites: 120	Site 34 40		
				RC7, R7	RC1-3 30	Site 24 45		
				17a, b:	RC4-5 20	Site 29 35		
				135				
Sub-totals			120	135	170	170	130	700-725
January, 1971- December, 1973	500	RE6	60	R6 30	Site 54 40	Site 25 60	200	515
		PB6	60	RL2 25		Site 19 40		
Sub-totals			120	55	40	100	200	515
<u>TOTALS</u>	1,800		500-740	275-300	300	320	380	1,800-2,040



12.

*Based on current experience, reservation of sites providing for a range of from 775-1000 units should result in approximately 800 new units.



ATTACHMENT II

SITES FOR RENT SUPPLEMENT UNDER AND BHA LEASING IN SECTION 221 (d) (3)
HOUSING (NEW)

<u>Site</u>	Market Rate Supplemented (low-rent)	<u>BHA</u> <u>Leased</u>	Total Rent Supplement & BHA Leased	Non- Supplemented Below Mkt. Rate (moderate rent)	Total All Units
25	60	--	60	--	60
Tremont	--	20	20	40	60
Union	--	30	30	90	120
21	25	--	25	75	100
16	50	--	50	150	200
34	40	--	40	135	175
29	35	--	35	40	75
19	40	--	40	120	160
24	45	--	45	120	165
22	25	--	25	75	100
23	--	40	40	110	150
54	--	40	40	110	150
Castle Square	--	50-75	75	425-450	500
Scattered RR & R Sites	--	120	120	--	120
Totals	320	300-325	645*	1490-1515	2135

*The reservation of 645 units for these component programs includes rent supplemented units in the market rate program, BHA leasing of existing 221 (d) (3) units, and rent supplement in the below market rate program if funds are available to Boston for the latter program.

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SITES FOR RENT SUPPLEMENT UNDER AND BHA LEASING IN SECTION 221 (d) (3)
HOUSING (NEW)

<u>Site</u>	<u>Market Rate Supplemented (low-rent)</u>	<u>BHA Leased</u>	<u>Total Rent Supplement & BHA Leased</u>	<u>Non- Supplemented Below Mkt. Rate (moderate rent)</u>	<u>Total All Units</u>
25	60	--	60	--	60
Tremont	--	20	20	40	60
Union	--	30	30	90	120
21	25	--	25	75	100
16	50	--	50	150	200
34	40	--	40	135	175
29	35	--	35	40	75
19	40	--	40	120	160
24	45	--	45	120	165
22	25	--	25	75	100
23	--	40	40	110	150
54	--	40	40	110	150
Castle Square	--	50-75	75	425-450	500
Scattered RR & R Sites	--	120	120	--	120
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